CATERPILLAR TRACTOR CO.

v.

HOCK GUAN [1960] SDN. BHD.

HIGH COURT MALAYA, KUALA LUMPUR
MAHADEV SHANKAR J
[CIVIL SUIT NO. 8068 OF 1985]
17 NOVEMBER 1987

CIVIL PROCEDURE: *Anton Piller order - Alleged infringement of trademark and passing off - Liability not established - When can the court order disclosure of offending party's customers - Whether an order by one Judge may be set aside by a different Judge.*

TRADEMARKS: *Alleged infringement of trademark - Alleged passing off - One trap purchase - Subject-matter were pistons - Liability not established - Scope of Anton Piller order.*

This was an application to set aside that part of an Anton Piller order which ordered the defendants to divulge particulars of their customers. Subsequently, it was adjourned to open Court for further arguments. The plaintiffs alleged that the defendants had infringed their trademark by selling pistons bearing their trademark and that such conduct constituted "passing-off". The plaintiffs had made one trap purchase of a piston. The Anton Piller order was made by another Judge. The defendants contended that the alleged offending pistons were legally manufactured in Japan.

Held:

[1] The present application could be heard by another Judge although the Anton Piller order was made by a different Judge.

[2] The Court should not order disclosure of the defendants' customers until liability had been established as it was prejudicial to the defendants unless those particulars were material to the issues to be decided.

[Application allowed. Costs in the cause.]

Cases referred to:

Sega Enterprises Ltd. v. Alca Electronics & Ors. [1982] FSR 516
Columbia Picture Industry & Ors. v. Robinson & Ors. [1986] FSR 367
WEA Records Ltd. & Ors. v. Visions Channel for Limited & Ors. [1984] FSR 404
Booker McConnell plc & Anor. v. Plascow & Ors. [1985] RPC 425
Sony Corporation & Anor v. Anand [1981] FSR 398
Norwich Pharmacal Co. & Ors. v. Customs & Excise Commissioners [1974] AC 133
Hytrac Conveyors Ltd. v. Conveyors International Ltd. [1983] 1 WLR 44

JUDGMENT

Mahadev Shankar J:

This is an application to set aside that part of an Anton Piller order which required the defendants to divulge particulars of their customers to whom allegedly infringing goods had been supplied and the volume of trade transacted with them.

Initially I had ordered in chambers that the application be dismissed but upon further argument in open court I have taken the contrary view and made an order as prayed for by the defendants.

The matter raises several important issues in cases of this kind. So my reasons now follow.

The plaintiffs are an American company. They are the registered proprietor of the trademark "CAT". The mark is applied to spare parts issued on Caterpiller tractors. And the plaintiffs have used this trademark for at least the last thirty years.

One of the spares manufactured on which the trademark has been used, are pistons. These pistons have distinctive features.

On 19 August 1985 the plaintiffs made a trap purchase of one piston at the defendants' premises in Kuala Lumpur. The plaintiffs contend that this piston constituted an infringement of their trademark. They also contend that the defendants' conduct in the sale of these pistons constitute, "passing off".

On the basis of these two causes of action the plaintiffs made an *ex parte* application on 30 November 1985 and on 13 December 1985 they obtained an order in the Anton Piller form. The order was made by my learned brother Zakaria Yatim J.

Immediately it was implemented the defendants through their solicitors entered into agreement with the plaintiffs that although so ordered by the Court the defendants need not divulge the names and addresses of their customers and the volume of trade transacted with them, pending an application by the defendants to have it set aside.

Consequently the injunctive parts of the order were complied with, the defendants ceased trading in the allegedly infringing goods, and on 30 June 1986 filed an affidavit disclosing on oath the identity of the persons who had supplied them with the allegedly offending pistons. A defence denying liability was filed on the same day.

For the purposes of the present application, suffice it to say that it is the defendants' contention that the allegedly offending piston had in fact been manufactured either by the plaintiffs or their licensed manufacturer in Malaysia or elsewhere. From the Bar table Mr. S.F. Wong has indicated that the case for the defendants is that the allegedly offending pistons were legally manufactured in Japan. Then they were imported into this country and sold in competition with the plaintiffs authorised dealers in Malaysia. In other words it is the defendants' contention that whatever they did was not unlawful. Consequently the grounds for their application are that liability has not been judicially established against the defendants as yet either for passing-off or for trademark infringement and that until such time as this has been judicially established the defendants are entitled to retain and keep in confidence the identity of their customers as well as the volume of business transacted with them.

In response to this application the plaintiffs have filed an affidavit, which has annexed to it, a most impressive report from the quality control department of Caterpillar Mitsubishi Ltd. in Japan. This report is to the effect that the piston which was the subject of the trap purchase was not manufactured by the plaintiffs' licenced manufacturers in Japan.

In chambers I had taken in view, albeit *per incuriam*, that since this report has not been contradicted, it must therefore follow that all the other pistons which had been sold by the defendants must also fall into the same category. Consequently I was persuaded by plaintiffs' Counsel that the plaintiffs should immediately be permitted to exercise their right of pursuit against all their other customers.

There were a number of subsidiary issues also and I will now deal them one by one.

As a general rule I hold it to be the law, that until liability has been established, a Court should not order the disclosure of the names and addresses of the defendants' customers or particulars of the allegedly offending goods supplied to them. In *Sega Enterprises Ltd. v. Alca Electronics & Ors.* [1982] FSR 516 the Court of Appeal in England held that even though the Court had jurisdiction to order disclosure of such names and addresses it should not do so unless such information is imperative to the plaintiffs to establish their case for infringement of copyright. Because the plaintiffs in that case would have been able to use information so disclosed in a way prejudicial to the defendants, even if they failed at the trial, it was held that the Court ought to have considered whether the names and addresses were material to the issues to be decided at the trial.

Following that case, it seems to me that where it appears that the issue of liability is an open one the plaintiffs cannot be permitted to go on a fishing expedition, on the assumption that merely because the plaintiffs and their witnesses say that the goods are offensive, it must therefore necessarily follow that the causes of action have been established.

The next issue is whether, having already taken other steps in the action (in this case filing a defence, and taking out a summons for directions) they can apply to set aside the *ex parte* order. The law here is that a party can apply at any stage to set aside an *ex parte* order. As Scott J said in *Columbia Picture Industry & Ors. v. Robinson & Ors.* [1986] FSR 367 449:

> It has always been my understanding that an interlocutory application to set aside or vary an interlocutory order can be made on due notice at any time. As a matter of judicial discretion, a first instance judge will not set aside or vary an *inter partes* interlocutory order made by a brother first instance Judge unless the application to set aside or vary is made on the basis of fresh material not before the court when the original interlocutory order was made. If no new material is relied on, or if the only new material is material that the applicant could and ought to have placed before the court on the original application (the applicant to set aside or vary being the respondent to the original application) then the original order can only be disturbed on appeal. But the respondent to an *ex parte* order who, *ex hypothesi*, has not been heard at all on the application for the order, can, in my view, make an interlocutory application at any time for a review of the order. The significance of the return date is that it provides a fixed date on which the respondent, if so advised, can apply to vary or set aside. It does not, in my judgement, preclude a respondent who does not take advantage of the return date from applying subsequently.

But the order in this case was made by another Judge. Can I set it aside? *WEA Records Ltd. & Ors. v. Visions Channel for Limited & Ors.* [1984] FSR 404 is an instance where an *ex parte* order made by one Judge was considered by another and set aside by the third. See pp. 406 and 408. In the case before me the Judge who granted the order is now in another division.

As to whether a part of an order can be set aside when the rest of it has been fulfilled see *Booker McConnell Plc & Anor. v. Plascow & Ors.* [1985] RPC 425 last paragraph.

In support of her case Counsel for the plaintiffs relied upon *Sony Corporation & Anor. v. Anand* [1981] FSR 398 and *Norwich Pharmacal Co. & Ors. v. Customs & Excise Commissioners* [1974] AC 133. But the crucial difference between those cases and the present one is that the Court acted on the basis that the tort had been committed. In other words liability was not an open question.

I think it is important when looking at these cases, to remember, that *Columbia Picture Industries & Ors. v. Robinson & Ors.* [1986] FSR 367 has shown quite pursuasively that many of the previous cases had gone too far. Unfortunately the judgement is very lengthy.

But those who wish to have a concise version of what this case decides, and what lessons it holds for us in Malaysia, could refer to the excellent article written by Mr. Mohd. Akram B. Haji Shair Mohd. in [1987] CLJ (Rep) (i).

The crux of the case here is whether a Court should pre-empt the defendant merely on the basis of complaints from the plaintiffs and so proceed to make orders which may have the effect, if not actually of putting the defendants out of business of causing maximum disruption to his trading activities. And all this before he has a fair opportunity of being heard in his own defence.

Even the unrebutted evidence of the plaintiffs in the present case only relates to the single trap purchase which they made. That one piston cannot in my view be made the basis of an assumption that everything the defendants have sold (without any evidence as to what this is) were all spurious products which had infringed the plaintiffs trademark.

As was held in *Hytrac Conveyors Ltd. v. Conveyors International ltd.* [1983] 1 WLR 44 per Lawton LJ:

> Those who made charges must state right at the beginning what they are and what facts they are based upon. They must not use Anton Piller orders as a means of finding out what sort of charges they can make.

It seems to me that the proper order for costs in this case is costs in the cause.

Where as in this case, the plaintiffs contended that they have an overwhelming case against the defendants the proper method is to apply for summary judgment or alternatively for an early trial. I took the second course in this case and fixed the matter for disposal for two days in February 1988.

Also found at [1988] 1 CLJ 787